



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB2529

Introduced 2/20/2009, by Rep. Thomas Holbrook

SYNOPSIS AS INTRODUCED:

215 ILCS 5/397.07 new

Amends the Illinois Insurance Code. Provides that no company authorized to transact the kinds of business related to Class 2 (casualty, fidelity, and surety) or Class 3 (fire and marine) insurance may issue an insurance contract or policy that contains a provision that allows a property claim and settlement offer to be calculated using a method other than actual cash value. Defines "actual cash value" as replacement cost less depreciation, considering the age and condition of the property.

LRB096 10105 RPM 20271 b

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by adding
5 Section 397.07 as follows:

6 (215 ILCS 5/397.07 new)

7 Sec. 397.07. Settlement offer; actual cash value. No
8 company authorized to transact the kinds of business in Class 2
9 or Class 3 of Section 4 of this Code may issue an insurance
10 contract or policy that contains a provision that allows a
11 property claim and settlement offer to be calculated using a
12 method other than actual cash value. For the purpose of this
13 Section, "actual cash value" means replacement cost less
14 depreciation, considering the age and condition of the
15 property. "Actual cash value" does not include market value.